



ROBERT J. SCHILLERSTROM
COUNTY BOARD CHAIRMAN

DuPage County

(630) 407-6060

July 1, 2008

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

**RE: Canadian National Railway Company and Grand Trunk Corporation -Control
- EJ&E West Company (STB Finance Docket No. 35087)**

Dear Ms. Quinlan:

DuPage County is writing to express its serious concerns about the proposed Canadian National Railway Company (CN) / Elgin, Joliet and Eastern Railway Company (EJ&E) transaction. The proposed acquisition would have enormous potential environmental impacts on DuPage County and on a large number of other communities in the Chicago metropolitan area. This letter contains specific comments on the Environmental Impact Statement (EIS) regarding the key issues of: *rail traffic projections, the consideration of the Chicago Region Environmental and Transportation Efficiency Program (CREATE Program) as an alternative to the proposed acquisition, and the need to extend the comment period on the Draft EIS to a minimum of 120 days.*

First, we would like to thank the Board for holding the April 29th and April 30th stakeholder meetings in the Chicago region, where STB staff provided valuable information related to the EIS. We also appreciate the fact that the Final Scope, issued on April 28, 2008, was responsive to comments submitted by a large number of concerned communities, public agencies, organizations and citizens, and it has added the following items to the original Draft Scope:

- The expansion of the rail traffic projections from three years to five years;
- The extension of the highway traffic forecasts horizon to 2020;
- The evaluation of the net increase in air emissions;
- The evaluation of noise and vibration impacts;
- The detailed analysis of the impacts of the transportation of hazardous materials;

The inclusion in the vehicle delay analysis a number of highway/rail at-grade crossings with less than 2,500 vehicle crossings per day;
The analysis and evaluation of the impacts on Metra's existing and planned regional commuter rail service, including the STAR Line.

Extend the Horizon of Rail Traffic Projections

Based on three-year projections provided by CN, the proposed transaction would result in massive increases in the number of trains (up to four-fold increase), the tonnage transported on rail (a three-fold increase), and the carloads of hazardous materials (a ten-fold increase) traveling through many suburban communities in DuPage County and the Chicago region. Although CN has declined to provide rail traffic projections beyond three years, the Final Scope of the EIS states it will extend the time horizon by two additional years, to 2015. DuPage County strongly believes this is not an adequate timeframe for conducting a detailed analysis and assessing the future environmental impacts that would be affecting such a large number of fast-growing suburban communities, fire protection districts, school districts, and transportation agencies. Based on official population and jobs projections by the Chicago Metropolitan Agency for Planning (CMAP), many of the impacted municipalities are expected to grow by more than 50% by the year 2030. The projected growth will result in increases in vehicular traffic on many of the roads crossing the 140 at-grade crossings along the EJ&E, and it will require the expansion of the area's public transportation system, and particularly Metra's commuter rail service. Any future increase in the number of freight trains traveling on the EJ&E would have adverse impacts on the area's vehicular traffic and commuter rail service, and it would require the implementation of mitigation projects at a cost of billions of dollars. It is imperative the EIS utilize a 20-year horizon for rail traffic projections in order to more accurately evaluate the future impacts of the proposed transaction and to be more consistent with the official *2030 Regional Transportation Plan (RTP)* for the Chicago region.

We are aware of the Board's statement that going beyond a five-year threshold might be too long to produce reasonable and reliable freight rail forecasts (*Decision April 28, 2008, Notice of Availability of the Final Scope of Study for the Environmental Impact Statement*). However, we are bringing to the Board's attention that typically transportation projects are planned and funded by federal, state and local authorities based on long-term projections of growth and changing demand. We are asking the Board to follow a similar process, namely that of using long-term rail traffic projections toward assessing the far-reaching impacts of the proposed transaction on the region's transportation system. In light of the fact that CN has declined to provide its own rail traffic projections beyond the three-year horizon, we ask that the EIS utilize other available sources as a basis toward arriving at long-term projections. Examples of such sources include:

The USDOT's Freight Analysis Framework (FAF) provides detailed information on freight flows for the truck, rail, water, and air modes. It also provides forecasts for weight of shipments by mode for the year 2035 (*U.S. Department of*

Transportation, Federal Highway Administration, Office of Freight Management and Operations, Freight Analysis Framework, Version 2.2, 2007). The FAF forecasts show that in the period from 2006 to 2035, rail shipments in the U.S. will increase by 85% (Please see attached copy of *Table 2-1: Weight of Shipments by Mode: 2002, 2006, 2035*). A 2007 report prepared for the Association of American Railroads (*National Rail Freight Infrastructure Capacity and Investment Study, Cambridge Systematics, Inc.*) makes extensive use of data and projections from the above-mentioned Freight Analysis Framework. The report is described as “the first collective assessment by the major freight railroads of their long-term capacity expansion and investment needs”.

The Chicago Region Environmental and Transportation Efficiency Program (CREATE Program) estimates demand for freight rail service in the Chicago area is expected to nearly double over the next 20 years.

Another source the EIS could utilize toward estimating long-term freight rail traffic projections on the EJ&E is information on expansion and growth plans of the *Port of Prince Rupert Container Terminal* where CN has invested \$150 million. The new port is described on CN’s website as “the closest North American port to Asia”, and “strategically located to handle excess capacity in one of the world’s busiest shipping corridors and with expansion plans in the near future”. The terminal’s present capacity of 500,000 TEUs will increase to 2 million TEUs by 2012 and to 5 million TEUs by 2020. The Canadian government is projecting the volume of Asian trade containers coming to North America will increase by 300% by 2020. CN is the only railroad that will run from Port Prince Rupert, and its website states the port is connected to the North American continent by CN’s network reach, serving 18 intermodal terminals across Canada and the U.S. Midwest, including Chicago and Memphis. CN’s Intermodal Gateway Memphis Terminal is a major international freight hub and a key destination point for CN’s growing freight rail traffic originating from Port Prince Rupert. It is expected CN would be using the EJ&E as a bypass around Chicago to speed up its international freight traffic on to Memphis. The result would be significant long-term increases in the number of freight trains per day traveling on the EJ&E. The Port of Prince Rupert Container Terminal growth forecasts are very relevant to the future growth of CN freight rail operations, and they should be utilized by the EIS as a source toward arriving at long-term CN freight rail projections.

Consider the Chicago Region Environmental and Transportation Efficiency (CREATE) Program as an Alternative

The Board states that NEPA and the Board’s environmental rules require the EIS to include reasonable and feasible alternatives to the proposed acquisition. (April 28, 2008 Decision, Notice of Availability of the Final Scope of Study for the Environmental Impact Statement). Yet, the Board goes on to say that neither CREATE nor any other

non-EJ&E rail corridors will be treated as alternatives for the proposed action because they would not meet the three-fold purpose and need articulated in the application.

DuPage County urges the Board to reconsider and include in the EIS a detailed evaluation of CREATE as a reasonable alternative to the proposed transaction. NEPA regulations state the EIS “shall provide full and fair discussion of significant environmental impacts and shall inform decision makers and the public of the reasonable alternatives which would avoid or minimize adverse impacts or enhance the quality of the human environment” (40 C.F.R. 1502.1). NEPA regulations also provide that “*the alternatives requirement is in the heart of the environmental impact statement*” (40 C.F.R. 1502.14). The EIS “must rigorously explore and objectively evaluate all reasonable alternatives” (40 C.F.R. 1502.14 a), and it must “devote substantial treatment to each alternative considered in detail including the proposed action so that the reviewers may evaluate their comparative merits” (40 C.F.R. 1502.14 b).

CREATE is a public-private partnership between the State of Illinois, the City of Chicago, the six major railroads including CN, and Metra, the region’s commuter rail agency. The program focuses on a \$1.5 billion investment toward substantially improving the existing infrastructure for the purpose of easing rail congestion and improving the overall mobility in the Chicago region. CN claims its proposed acquisition of the EJ&E would benefit the region by relieving freight rail congestion without the use of public dollars. However, the CREATE program is the plan that has already been chosen by the region’s stakeholders, and it stands to provide rail congestion relief for all railroads traveling through the entire Chicago area. CREATE would also be a more cost-effective alternative, considering the fact the proposed transaction would require a large amount of investments for safety and capacity improvements along the single-track EJ&E line, including a large number of grade separations and added track capacity to accommodate Metra’s STAR Line. Since CN has already stated it would not pay for any grade separations or track additions for the STAR Line, it appears it expects federal, state, and local government agencies to pay the estimated billions of dollars for the required improvements resulting from its proposed acquisition of the EJ&E.

DuPage County strongly urges the Board to include a detailed analysis and evaluation of CREATE as an alternative to the proposed action, thus giving an opportunity for all interested parties and reviewers to assess their comparative merits.

Extend the Comment Period on the Draft EIS to a Minimum of 120 Days

The CEQ regulations require an opportunity for comments on a Draft EIS and before the preparation of the Final EIS. Comments shall be obtained “from any Federal agency which has jurisdiction”, and “from appropriate State and local agencies which are authorized to develop and enforce environmental standards”. In addition, comments shall be requested from the public, “from those persons or organizations who may be interested or affected” (40 C.F.R. 1503.1 a).

The Board's regulations provide that "the notice of availability of the draft EIS will establish the time for submitting written comments, which will normally be 45 days following service of the document" (49 C.F.R. 1105.10 (a) 4). However, given the breadth of the issues to be addressed in the EIS, and the extensive and unprecedented public interest and participation in this proceeding, DuPage County strongly believes a 45-day comment period would be insufficient, and it requests the Board authorize a 120-day comment period.

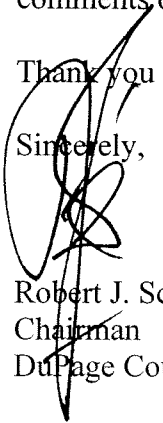
CEQ regulations provide that "accurate scientific analysis, expert agent comments, and public scrutiny are essential to implementing NEPA" (40 C.F.R. 1500.1). In this proceeding, the Draft EIS must be reviewed and "scrutinized" by a large number of communities, fire protection districts, school districts, forest preserve districts, and transportation agencies that would be impacted by the proposed transaction. Many of these parties do not have substantial resources and need additional time to evaluate and review the extensive and complex issues and large amount of data that will be included in the Draft EIS. The Board must authorize a comment period of at least 120 days to ensure the rights of all affected parties are protected.

The 120-day comment period would allow for adequate due process and due diligence by local governments representing their constituents responsibly. The government structure of DuPage County requires that this proceeding come under the purview of four separate committees: Transportation, Public Transit, Environmental and Intergovernmental. It is critical that these committees are allowed adequate time for a thorough review of this matter.

Given the breadth and significance of the potential environmental impacts, the large number of the affected communities, and the considerable scope of the EIS, DuPage County strongly urges the Board to authorize a period of 120 days for public review and comments on the Draft EIS.

Thank you for the opportunity to offer comments on this very important issue.

Sincerely,



Robert J. Schillerstrom
Chairman
DuPage County Board

Federal Highway Administration
Freight and Management Operations

Table 2-1 and 2-1M. Weight of Shipments by Mode: 2002, 2006, 2035 (Millions of Tons)

The U.S. transportation system moved, on average, 53 million tons of freight worth \$36 billion each day in 2002. The Freight Analysis Framework (FAF) forecasts that tons transported will almost double by 2035, with international shipments growing somewhat faster than domestic shipments. The provisional estimate of tons moved in 2006 are consistent with annual growth rates in the FAF forecast for all modes except water, which declined slightly, and air and intermodal, which grew at faster rates.

Table 2-1 (standard units)

	2002 Total	2002 Domestic	2002 Exports ³	2002 Imports ³	2006 Total	2006 Domestic	2006 Exports ³	2006 Imports ³	2035 Total	2035 Domestic	2035 Exports ³	2035 Imports ³
Total	19,328 (R)	17,670	(R) 525	1,133	20,974	18,985	620	1,369	37,212 (R)	33,668	(R) 1,112	(R) 2,432
Truck	11,539	11,336	106	97	12,659	12,389	169	101	22,814	22,231		320
Rail	1,879	1,769	32	78	2,040	1,905	41	95	3,525	3,292		176
Water	701	595	62	44	688	582	48	58	1,041	874	114	54
Air, air & truck	(R) 11	3	3	(R) 5	15	5	4	6	(R) 61	10	(R) 13	(R) 38
Intermodal ¹	1,292	196	317	780	1,503	194	353	956	2,598	334	660	1,604
Pipeline & unknown ²	3,905	3,772	4	130	4,068	3,909	6	153	7,172	6,926		240

Key: R = revised

¹Intermodal includes U.S. Postal Service and courier shipments and all intermodal combinations, except air and truck.

²Pipeline and unknown shipments are combined because data on region-to-region flows by pipeline are statistically uncertain.

Note: Numbers may not add to total due to rounding.

Source: U.S. Department of Transportation, Federal Highway Administration, Office of Freight Management and Operations, Freight Analysis Framework, Version 2.2, 2007.